



March 6, 2007

Los Angeles County
Board of Supervisors

Gloria Molina
First District

Yvonne B. Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

Robert G. Splawn, MD
Senior Medical Director

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

*To improve health
through leadership,
service and education.*



www.ladhs.org

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 2 TO AGREEMENT NO. H-700737
WITH SAMY F. FARID, M.D., INC. FOR OBSTETRICAL
PHYSICIAN SERVICES FOR THE ANTELOPE VALLEY AREA
(5th District) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Director of Health Services, or his designee, to execute and sign Amendment No. 2, substantially similar to Exhibit I, to Agreement No. H-700737 with Samy F. Farid, M.D., Inc., to expand the provision of obstetrical and gynecological services to include Community Health Plan patients who present at Antelope Valley Hospital, and to include the provision of physician on-call services at the rate of \$10.00 per hour, effective the date of Board approval through the current contract expiration date of June 30, 2009, at an estimated annual cost of \$187,680.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

In approving this recommended action, the Board is authorizing the Director of Health Services, or his designee, to amend the Agreement with Samy F. Farid, M.D., Inc. to expand the definition of County registered patients to include patients enrolled in the Community Health Plan (CHP) who present for obstetrical care or gynecological services at Antelope Valley Hospital (AVH), but who have not been previously seen at Antelope Valley Health Center (AVHC) for prenatal care; and to include the provision of physician on-call services at the rate of \$10.00 per hour for two groups of patients: 1) CHP enrollees who present to the AVH emergency room and require gynecological specialty consultation and treatment; and 2) County registered patients who are receiving prenatal care at AVHC and present to AVH for pregnancy-related problems and services prior to 20 weeks of gestation.

Approval of the requested action will ensure the continued provision of vital obstetrical and gynecological services to County registered patients, as well as CHP enrollees, in the Antelope Valley area.

FISCAL IMPACT/FINANCING:

The estimated total maximum obligation for the existing Agreement with Samy F. Farid, M.D., Inc. (Farid Inc.) for the period effective November 9, 2004 through June 30, 2009 is \$674,500, based on the estimated annual cost of \$142,000. Upon

Board approval of Amendment No. 2, the estimated total maximum obligation will be increased by \$106,587, from \$674,500 to \$781,087, based on an increased annual cost of \$187,680, effective upon Board approval. Funding is included in the Fiscal Year 2006-07 Final Budget and will be requested in future fiscal years.

The per session rates of compensation for outpatient services for the Agreement have been adjusted and are on file with the Department. The recommended rates have been provided to your Board, the Chief Administrative Office, and County Counsel. An additional service component of physician on-call services at the rate of \$10.00 per hour is also being recommended.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The current Contractor, Farid, Inc., has provided obstetrical services under two physician specialty medical services agreements since January 1, 2003.

On June 29, 2004, your Board approved the renewal of Farid Inc.'s contract for an additional five year term, effective July 1, 2004 through June 20, 2009. However on August 9, 2004, the contractor notified the Department of its intent to terminate the contract effective October 8, 2004 due to the high risk nature of the patient populations being served and the difficulty related to maintaining malpractice coverage for obstetrical services provided to County registered patients at AVH.

Based on the service needs of the Antelope Valley area and to mitigate the concerns of the Contractor, the Department requested and received approval to extend the County Professional Liability Indemnification to include the provision of inpatient obstetrical services provided at AVH to County registered patients and to provide medical defense and malpractice indemnification to the Contractor and County-approved subcontractors who provide patient care services under the Agreement.

On November 9, 2004, a new Agreement was approved by your Board which continued the provision of both on-site prenatal and postpartum care at AVHC and obstetrical services to County-registered patients at AVH, and extended the malpractice indemnification coverage to include the Contractor and County-approved subcontractors providing services under this Agreement.

The recommended Amendment is requesting approval to expand the definition of "County Registered Patients" to include patients who are CHP members and who are admitted and treated at AVH for obstetrical services, but who have not previously been treated at AVHC for prenatal care, and for gynecological services.

This expanded definition: 1) clarifies the group of patients for which the contractor is responsible for providing obstetrical and gynecological coverage at AVH, and 2) defines the group of patients for whom the County provides professional indemnification to the contractor when the contractor treats those patients at AVH.

The Amendment will also allow the provision of services to CHP enrollees who have not previously presented for prenatal care at AVHC and who present at AVH for obstetrical or gynecological care. This change is necessary because under the existing contract structure and statement of work, Farid Inc. is not responsible or indemnified for treating those patients.

Additionally, the amendment implements the provision of physician on-call coverage at an on-call rate of \$10.00 per hour. Farid, Inc. will provide physician on-call coverage for two groups of patients: 1) CHP enrollees who present to the AVH emergency room and require gynecological specialty consultation and treatment; and, 2) County registered patients who are receiving prenatal care at AVHC and present to the AVH emergency room for pregnancy-related problems and services prior to 20 weeks of gestation.

Providing on-call coverage for these two groups of patients will address an ongoing issue with AVH, as the existing contract does not require the provision of these services for these patients. The hourly on-call rate would compensate Farid Inc. for the provision of on-call coverage. The Contractor will bill Medi-Cal or CHP directly for services provided and will only be paid under the Agreement for services provided to indigent patients.

The Department has experienced difficulty with the recruitment and retention of qualified OB/GYN physicians and the approval of this Amendment will support the continued provision of prenatal care and obstetrical delivery services to low-income, uninsured and high-risk women, as well as ensure the availability of emergency gynecological services to CHP enrollees in the Antelope Valley area. DHS has made a determination that the services are of a professional nature and are required on a part-time, temporary basis.

Under the termination provisions of this Agreement, the Agreement may be terminated immediately for breach or for convenience with a 90-day advance written notice by either party.

County Counsel has reviewed and approved Exhibit I, as to use and form.

Attachment A provides additional information.

CONTRACTING PROCESS:

The shortage of qualified physicians in the area does not support the release and completion of an open competitive solicitation process for the provision of these services.

On November 9, 2004, the Board approved a sole source agreement with Farid, Inc. for the provision of contract OB/GYN services for the Antelope Valley area. This sole source Agreement was necessary to address the service needs of the Antelope Valley area, which includes the provision of prenatal and postpartum care at AVHC and obstetrical and gynecological services at AVH.

Within the County health care delivery system, the Antelope Valley region is unique in that the closest DHS hospital, Olive View-UCLA Medical Center, is located approximately 50 miles from central Lancaster. This distance makes it impractical to refer patients from AVHC to another DHS hospital for obstetrical services. Additionally, AVH is the only hospital in the region that provides inpatient obstetrical services.

To ensure that the selected staff are screened, all physicians who provide services under this Agreement, as either Contractors, employees, or subcontractors must 1) be credentialed by the High Desert Health System (HDHS) which includes a review of the physician's malpractice history, if they will be providing outpatient services at AVHC; 2) comply with all HDHS medical staff policies and procedures when

The Honorable Board of Supervisors
March 6, 2007
Page 4

providing services at AVHC; 3) maintain full clinical privileges to practice obstetrics and gynecology at AVH; and 4) comply with the medical staff bylaws of AVH.

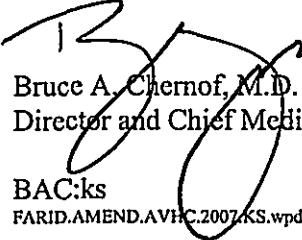
County Counsel has determined that the Agreement is exempt from Proposition A contracting guidelines due to the shortage of qualified OB/GYN physicians in the Antelope Valley area. The Department has determined that these services do not fall under the Proposition A guidelines and therefore are not subject to the Living Wage Ordinance.

IMPACT ON CURRENT SERVICES (OR PROJECT):

Board approval of the recommended Amendment to the Agreement will ensure the continued provision of critical obstetrical and gynecological services to the patients served in the Antelope Valley area.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:ks
FARID.AMEND.AVHC.2007.KS.wpd

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AMENDMENTS

1. **TYPE OF SERVICE/PROJECT:**

Obstetrical and gynecological services for the Antelope Valley area.

2. **AGENCY ADDRESS AND CONTACT PERSON:**

Samy F. Farid, M.D., Inc.
44241 North 15th Street West, Suite 205
Lancaster, California 93534
Attention: Samy F. Farid, M.D.
Telephone: (661) 949-5193

3. **TERM:**

Agreement: November 9, 2004 through June 30, 2009.
Amendment: Date of Board approval through June 30, 2009.

4. **FINANCIAL INFORMATION:**

The estimated total maximum obligation for the existing Agreement with Samy F. Farid, M.D., Inc. for the period effective November 9, 2004 through June 30, 2009 is \$674,500, based on the estimated annual cost of \$142,000. With the Board's approval of Amendment No. 2, the estimated total maximum obligation will be increased by \$106,587, from \$674,500 to \$781,087, based on an increased annual cost of \$187,680, effective upon Board approval. Funding is included in the Fiscal Year (FY) 2006-07 Final Budget and will be requested in future fiscal years.

5. **GEOGRAPHIC AREA TO BE SERVED:**

Supervisory Fifth District.

6. **ACCOUNTABLE FOR MONITORING AND EVALUATION:**

High Desert Health System Administrators

7. **APPROVALS:**

Chief Executive Officer: Beryl Brooks

Contract and Grants: Cara O'Neill, Chief

County Counsel (review): Sharon A. Reichman, Principal Deputy County Counsel

Board Agenda: March 6, 2007

FACT SHEET

RE: APPROVAL OF AMENDMENT NO. 2 TO AGREEMENT NO. H-700737 WITH SAMY F. FARID, M.D., INC. FOR OBSTETRICAL PHYSICIAN SERVICES FOR ANTELOPE VALLEY AREA (5th District) (3 Votes)

CONTACT PERSON(S):

Beryl Brooks, Chief Executive Officer
Antelope Valley / High Desert Health System
Telephone: (661) 945-8461
brbrooks@ladhs.org

SUBJECT:

Approve Amendment No. 2 to Agreement with Samy F. Farid, M.D., Inc. for obstetrical and gynecological services for the Antelope Valley area.

REQUESTED ACTION:

Board approval of Amendment No. 2 to Agreement H-700737 with Samy F. Farid, M.D., Inc., (Farid Inc.) to expand the provision of obstetrical and gynecological services to include Community Health Plan (CHP) patients who present at Antelope Valley Hospital (AVH) and to include the provision of physician on-call services at the rate of \$10.00 per hour, effective the date of Board approval through the current contract expiration date of June 30, 2009, at an estimated annual cost of \$187,680.

PROGRAM:

OB/Gyn services for County and CHP patients at Antelope Valley Health Center (AVHC) and AVH.

The recommended Amendment is requesting approval to expand the definition of "County Registered Patients" to include patients who are CHP members and who are admitted and treated at AVH for obstetrical services but who have not previously been treated at AVHC for prenatal care, and for gynecological services.

FISCAL IMPACT/FINANCING:

With Board approval of Amendment No. 2, the estimated total maximum obligation for the Agreement from the date of Board approval through June 30, 2009 will be \$437,920. Funding is included in the Fiscal Year (FY) 2006-07 Final Budget and will be requested in future fiscal years.

TERMINATION PROVISION:

Under the termination provisions of this Agreement, the Agreement may be terminated immediately for breach or for convenience with a 90-day advance written notice by either party.

TERM OF AGREEMENT:

Agreement: November 9, 2004 through June 30, 2009.
Amendment: Date of Board approval through June 30, 2009.

FACT SHEET (Cont'd)

AUTOMATIC RENEWAL:

No.

FIRST BOARD APPROVED AGREEMENT:

November 9, 2004.

AGREEMENT EXPIRATION:

June 30, 2009.

RETROACTIVE AGREEMENT:

No.

REQUEST FOR PROPOSALS (RFP) PROCESS:

An open competitive solicitation and selection process was not conducted due to the difficulty with recruitment of qualified physicians in the Antelope Valley area.

Within the County health care delivery system, the Antelope Valley region is unique in that the closest DHS hospital, Olive View-UCLA Medical Center, is located approximately 50 miles from central Lancaster. This distance make it impractical to refer patients from the AVHC to another DHS hospital for obstetrical services. Additionally, AVH is the only hospital in the region that provides inpatient obstetrical services.

County Counsel has determined that the Agreement is exempt from Proposition A contracting guidelines due to the shortage of qualified OB/GYN physicians in the Antelope Valley area.

SOLE SOURCE JUSTIFICATION:

The shortage of qualified physicians in the area does not support the release and completion of an open competitive solicitation process for the provision of these services.

On November 9, 2004, the Board approved a sole source agreement with Farid, Inc. This sole source Agreement was necessary to address the service needs of the Antelope Valley area which includes the provision of prenatal and postpartum care at AVHC and the provision of obstetrical and gynecological services at AVH.

LOS ANGELES COUNTY ONLINE WEB SITE:

Not applicable.

FARID.AMEND.AVHC.2007.KS.wpd